



## U.S. Department of Justice

**Thomas A. Marino**

*United States Attorney*

*Middle District of Pennsylvania*

**William J. Nealon Federal Building**  
**Suite 311**  
**235 N. Washington Avenue**  
**P.O. Box 309**  
**Scranton, PA 18501-0309**  
**(570) 348-2800**  
**FAX (570) 348-2037/348-2830**

**Ronald Reagan Federal Building**  
**Suite 220**  
**228 Walnut Street**  
**P.O. Box 11754**  
**Harrisburg, PA 17108-1754**  
**(717) 221-4482**  
**FAX (717) 221-4493/221-2246**

**Herman T. Schneebeli Federal Building**  
**Suite 316**  
**240 West Third Street**  
**Williamsport, PA 17701-6465**  
**(570) 326-1935**  
**FAX (570) 326-7916**

*Please respond to: Harrisburg*

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### **NEWS RELEASE**

#### **COUPLE PLEADS GUILTY TO RUNNING A FRAUDULENT WORK-AT-HOME BUSINESS**

Thomas A. Marino, United States Attorney for the Middle District of Pennsylvania, announced that William Stafford, age 59, and his wife Misty Stafford, age 24, of Gillett, Bradford County, Pennsylvania, pleaded guilty to running a fraudulent work-at-home business before United States District Judge Thomas I. Vanaski. William Stafford pleaded guilty to conspiracy to commit mail fraud, which carries a maximum sentence of five years' incarceration, a \$250,000 fine, and a term of supervised release. Misty Stafford pleaded guilty to misprision (concealing) of felony, which carries a maximum sentence of three years' incarceration, a \$250,000 fine, and a term of supervised release. The Staffords also agreed to forfeit property including several bank accounts and a 2001 Itasca Sun Cruiser motor home.

According to information detailed in court, in the year 2004 through January 2005, the Staffords owned, operated, or had a financial interest in a company known as National Home Assemblers of Columbia Cross, Pennsylvania. The company placed advertisements in trading guides, shopper flyers, and "penny saver" newspapers throughout the United States soliciting those interested in easy, profitable work that could be done at home. The advertisements listed a toll-free telephone number to call for further information.

Callers to the number received a scripted description of the work-at-home business and were mailed literature advising that National Home Assemblers would pay up to \$800 per week for "a very easy job." The job was to assemble decorative refrigerator magnets in the shape of a cat. National Home Assemblers promised \$400 for every 60 magnets assembled that met specifications.

Upon receiving the literature, individuals were instructed to pay \$31 as a "registration fee," along with \$6.75 for shipping and handling. A sample magnet was available for \$12. Those who sent in the registration money received a small envelope with glue, paint, lace, and other materials necessary to make a single magnet. Those spending the extra \$12 received a small cat-shaped magnet in a plastic bag with a tag that read "Made in America-\$17.95." Kits with enough material to make 60 magnets were also available for \$100.

Anyone who assembled magnets and sent them to National Home Assemblers expecting payment received instead a letter rejecting the magnets as having been shipped past an artificial due date set by the company or that the magnets did not meet "Inspection Department" standards. According to United States Postal Inspectors, over 77,000 people nationwide fell victim to the scheme and lost from \$12 to \$156 each. Losses totaled over \$3 million dollars. When Postal Inspectors executed a search warrant at the National Home Assemblers business they found out-buildings filled with returned cat magnets. National Home Assemblers had falsely asserted that the cat magnets were being manufactured for the overseas market.

Previously, National Home Assemblers had been the subject of civil litigation instituted by the Federal Trade Commission for fraudulent and deceptive business practices. During this joint investigation with U.S. Postal Inspection Service, the assets of the Staffords and National Home Assemblers were frozen and seized. The company is now out of business.

U.S. Attorney Marino commended the work of all those involved: "Work-at-home schemes prey upon senior citizens, shut-ins, and those on a fixed income. This scheme was particularly devious since it reached a wide-range of people all over the country. My office was pleased to work closely with the Federal Trade Commission on this case. Everyone involved did an outstanding job in shutting down this Bradford County consumer-fraud factory and prosecuting those who ran it."

This case was investigated by the United States Postal Inspection Service and the Federal Trade Commission and prosecuted by Assistant U.S. Attorney Christian A. Fisanick, Chief of the Criminal Division.

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